

# EXHIBIT 3

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## WALKER &amp; DUNLOP

Section 221(d)(4) NC - Market Rate Property

**Project Name** Grand Rapids Lofts  
**Project Location:** Grand Rapids, MI  
**Number of Units** 143

**Borrower Contact:** Durbano  
**W&D Contact:** Jeff Kearns  
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		Sponsor Budget				Information Source and/or Comments
		%	UW Amount	1/0/1900	Difference	
<b>All Improvements</b>						
Total Site Improvements	\$000 per unit		\$0	\$0	\$ -	
Total Structures	\$201,753 per unit		\$28,850,732	\$29,350,732	\$ 500,000	Includes \$500,000 in Contingency
General Requirements (includes project-specific overhead expenses)		0.00%	\$0	\$0	\$ -	None shown -assumes included in TS
Builder's Overhead		0.00%	\$0	\$0	\$ -	None shown -assumes included in TS
Builder's Profit			\$0	\$0	\$ -	None shown -assumes included in TS
Bond Premium		0.00%	\$0	\$0	\$ -	Not included in Borrower Budget
Other Fees - General Contractor			\$0	\$0	\$ -	
<b>Total Construction Contract (HUD-2328)</b>			<b>\$28,850,732</b>	<b>\$29,350,732</b>	<b>\$ 500,000</b>	
Other Fees - Mortgageor			\$180,000	\$180,000	\$ -	"Other", Lobbyists (TBD), Permits and Fees
Architect Design Fee			\$350,000	\$350,000	\$ -	
Architect Supervision Fee			\$0	\$0	\$ -	Required, assumes included in Design
<b>Total For All Improvements</b>			<b>\$29,380,732</b>	<b>\$29,880,732</b>	<b>\$ 500,000</b>	

**Construction Time** 18 months

**Charges and Financing Fees During Construction**

Interest on loan amount of	\$32,464,900	at	6.75%	for 20 months	\$1,826,151	\$1,505,150	\$ (321,001)	
Taxes during construction					\$200,000	\$0	\$ (200,000)	
Insurance during construction					\$0	\$0	\$ -	Builders Risk - Not in Borrower Budget
Mortgageable Bond Costs			0.00%		\$0	\$0	\$ -	
Title and Recording					\$40,000	\$40,000	\$ -	
<b>Subtotal</b>					<b>\$2,066,151</b>	<b>\$1,545,150</b>	<b>\$ (521,001)</b>	
<b>FHA Fees (Based on Loan Amount)</b>								
HUD Mortgage Insurance (includes two years MIP)			0.50%		\$162,325	\$0	\$ (162,325)	Pro-rata refunded if CoFo achieved in less time
HUD Application Fee			0.30%		\$97,395	\$0	\$ (97,395)	
Inspection Fee			0.50%		\$162,325	\$0	\$ (162,325)	
<b>Subtotal FHA Fees</b>					<b>\$422,044</b>	<b>\$0</b>	<b>\$ (422,044)</b>	
<b>W&amp;D Fees (Based on Loan Amount)</b>								
Financing Costs			2.50%		\$811,623	\$544,222	\$ (267,401)	Includes Mortgage Brokerage Fee
Placement Costs			0.19%		\$60,500	\$125,000	\$ 64,500	
Includes: GNMA Fee (\$5,500) + Lender Legal (\$50,000) + Processing Fee (\$5,000)								
<b>Subtotal W&amp;D Fees</b>					<b>\$872,123</b>	<b>\$669,222</b>	<b>\$ (202,901)</b>	
<b>Total Charges and Financing</b>					<b>\$3,360,317</b>	<b>\$2,214,372</b>	<b>\$ (1,145,945)</b>	
<b>Legal, Organization, and Audit Fees</b>								
Borrower Legal					\$200,000	\$200,000	\$ -	More information needed
Organization (incl. Third Party Reports)					\$108,050	\$50,000	\$ (58,050)	Includes Green Certification Fees
Cost Certification Audit (Owner)					\$20,000	\$0	\$ (20,000)	
<b>Total Legal and Organization</b>					<b>\$328,050</b>	<b>\$250,000</b>	<b>\$ (78,050)</b>	

**Other Expenses and Reserves**

No BSPRA or SPRA					\$0	N/A	N/A	
LIHTC/Nonprofit Developer's Fee					\$0	\$0	\$ -	
Fixtures, Furniture and Equipment					\$125,000	\$250,000	\$ 125,000	Assumes 50% of total is Marketing
Construction Contingency (Sub Rehab only)			0.00%		\$0	\$0	\$ -	
Relocation Costs (Sub Rehab only)					\$0	\$0	\$ -	
Initial Deposit to Reserve for Replacement (Sub rehab only)					\$0	\$0	\$ -	
Off-site Costs (Sub Rehab Only)					\$0	\$0	\$ -	
Ground Rent During Construction (Leasehold only)					\$0	\$0	\$ -	
<b>Total Other Expenses and Reserves</b>					<b>\$125,000</b>	<b>\$250,000</b>	<b>\$ 125,000</b>	

**Total HUD Estimated Development Cost**

<b>Total HUD Estimated Development Cost</b>					<b>\$33,194,099</b>	<b>\$32,595,104</b>	<b>\$ (598,995)</b>	
Warranted Price of Land					\$5,000,000	\$0		
<b>Total Mortgageable Replacement Cost</b>					<b>\$0</b>	<b>\$32,595,104</b>	<b>\$ 1,720,471</b>	

**NON-MORTGAGEABLE COSTS**

Working Capital			4.00%		\$1,298,596	\$0	\$ (1,298,596)	Includes \$500,000 of contingency
Initial Operating Deficit			est.		\$1,215,857	\$840,400	\$ (375,457)	Pending Market Study
Developer's Fee					\$985,670	\$985,670	\$ -	
Demolition & Off-site Construction Costs					\$0	\$0	\$ -	
All Other Non-Mortgageable Costs					\$3,857,128	\$3,607,128	\$ (250,000)	
All Non-Mortgageable Costs Not Included within HUD Transaction					\$0	\$0	\$ -	
<b>Total Non-Mortgageable Costs</b>					<b>\$7,357,251</b>	<b>\$5,433,198</b>	<b>\$ (1,924,053)</b>	

**TOTAL USES OF FUNDS**

<b>TOTAL USES OF FUNDS</b>					<b>\$43,309,979</b>	<b>\$38,028,302</b>	<b>\$ 504,989</b>	
<b>Cash Basis</b>								
Less: Market Value of Site					\$5,000,000	\$0	\$ (5,000,000)	
Plus: Debt (If any)					\$1,000,000	\$1,000,000	\$ -	
<b>Total Uses of Funds Cash Basis</b>					<b>\$43,309,979</b>	<b>\$39,028,302</b>	<b>\$ 504,989</b>	

This analysis should not be construed as a commitment to provide financing. It is based upon information that may not be accurate and may not be subject to change. Final underwriting is subject to approval from Walker Dunlop and HUD.

